

15 July, 1946

MEMORANDUM FOR THE CHIEF, CENTRAL PLANNING STAFF

SUBJECT: Collection of Intelligence Information on the Foreign Potential Resources of Raw Materials.

REFERENCE: (a) Memorandum, 20 May 1946 from Information and Intelligence Branches.  
(b) Planning Directive No. 36a, 22 May 1946.  
(c) Memorandum, 24 June 1946, from Information Branch.

ENCLOSURE: (A) Joint Logistics Committee papers entitled: "Comparison of the Industrial Capacity of the United States Potential Allies with that of Potential Hostile Powers." (The memoranda comprising this enclosure are in draft form as they have not been approved by the Joint Logistics Committee).

1. Attention is invited to paragraph 4 of sub-enclosure (c), Enclosure (A), which states, "Accordingly it is requested that the Central Intelligence Group develop intelligence regarding the economic war potential of foreign areas as a continuing study; that these data be collated and evaluated and provided to the Industrial College of the Armed Forces for use in its analysis".

2. This request, a reading of Enclosure (A) will show, is based on the following considerations:

a. The Industrial College, by direction of the ANMB, is engaged in making comparisons of the economic war potentials of China, the British Empire, the French Empire and the USSR with those of the United States. (It is not conceded in the Appendix to Enclosure (A), but it is apparent that these studies, while perhaps setting the pattern for detailed comparisons of the economic war potential of the United States and its potential allies with those of its potential enemies, fall far short of the vast amount of accurate up-to-date intelligence required by the JCS and other policy-making agencies for planning purposes.)

b. To develop the foreign intelligence referred to in sub-paragraph a above, the JLC turns to C.I.G. as a proper agency to provide assistance.

c. The Industrial College being equipped to conduct the necessary research and evaluation of data concerning U. S. production and resources is considered to be in the best position of any Government agency to analyze and compare these data with those pertaining to foreign nations.

d. After C.I.G. has supplied the required foreign intelligence and the Industrial College has furnished similar U. S. intelligence and analyzed it in comparison with the material made available by C.I.G., the JLC will study the reports prepared by the Industrial College in the light of hypotheses advanced by JPS and arrive at solutions for the use of that agency.

3. Is the procedure set forth by JLC for the development of intelligence concerning comparisons of the economic war potentials of the United States and its probable allies with those of its potential enemies acceptable to C.I.G.? Since the end product of this research is vital to the national security, should not C.I.G. assume actual direction of the project by conducting it in conjunction with the JIC, ANMB, the Industrial College and other interested Government agencies so as to produce intelligence useful to all as well as acceptable to the Joint Staff Planners of the JIC?

4. It is probable that sooner or later the respective jurisdictions of the JCS Committees and that of C.I.G. will require clarification. Perhaps this project involving the comparison of economic war potentials would make an appropriate test case.

5. The foregoing comments on the subject of economic war potentials are concurred in by the Intelligence Division.

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